

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY ISLAMABAD

AMCONSUL KARACHI

AMCONSUL LAHORE

AMCONSUL PESHAWAR

C O N F I D E N T I A L STATE 043978

FOL DOHA 0216 SENT ACTION SECSTATE FEB 15, 1978 REPEATED
TO YOU QUOTE

C O N F I D E N T I A L DOHA 216

E.O. 11652: GDS

TAGS: BDIS, ENRG

SUBJECT: POSSIBLE CANCELLATION OF HOLCAR CONCESSION

REF: STATE 39045

1. EMBASSY WILL MAKE INITIAL APPROACH THROUGH DIRECTOR OF
PETROLEUM AFFAIRS ABDULLAH SALLAT TO TRY TO DETERMINE STATUS OF
HOLCAR AGREEMENT. USING INFORMATION FROM THIS CONTACT, WE WILL
MAKE APPROACH TO MINISTER OF FINANCE AND PETROLEUM TO TRY TO
DELAY FINAL DECISION IF NOT ALREADY MADE.

2. COMMERCIAL OFFICER BROUGHT UP QUESTION OF RENEWAL OF HOLCAR
AGREEMENT IN JANUARY 22 DISCUSSION WITH PETROLEUM AFFAIRS DIRECTOR
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SALLAT. AT THAT TIME SALLAT INDICATED THAT FINAL BREAK HAD NOT
YET COME BUT STRONGLY IMPLIED THAT BREAK WAS INEVITABLE. SALLAT
WAS OBVIOUSLY DISAPPOINTED WITH HOLCAR PERFORMANCE. WHEN ASKED
ABOUT POSSIBLE REPLACEMENT FOR HOLCAR SALLAT INDICATED THAT NO
DECISION HAD BEEN MADE BUT SAID THAT SHELL, MOBIL AND EXXON
"AMONG OTHER" HAD INQUIRED.

3. DURING LAST YEAR OFFICIALS IN MINISTRY HAVE IMPLIED AND AT TIMES STATED EXPLICITLY THAT THEY FELT THAT HOLCAR WAS PLANNING TO LEAVE THE MINISTRY HOLDING THE BAG WITH AN UNNAMED PAKISTANI COMPANY. ACCORDING TO MINISTRY SOURCES (INCLUDING SALLAT) THE MINISTRY THOUGHT THAT AFTER NEGOTIATING FOR RENEWAL OF AGREEMENT HOLCAR INTENDED TO DROP OUT OF DEAL LEAVING THE MINISTRY TO DEAL WITH THE PAKISTANI FIRM. IN ALL CASES, MINISTRY OFFICIALS EXPRESSED DISTASTE FOR THIS IDEA. MINISTRY FELT AND APPARENTLY STILL FEELS THAT BRINGING IN PAKISTANI COMPANY WAS HOLCAR PLOY TO GET OUT WITH HOLCAR CAPITAL INTACT. ALTHOUGH MINISTRY SEEMS NOT TO HAVE BEEN INTERESTED IN SEPARATE AGREEMENT WITH PAKISTANI FIRM NEITHER WAS MINISTRY ENTHUSIASTIC ABOUT RENEWING HOLCAR AGREEMENT. SALLAT TOLD US HE WOULD JUST AS SOON DEAL DIRECTLY WITH A DIFFERENT FIRM.

4. WE KNOW FROM OUR PERIODIC ATTEMPTS TO CONTACT HOLCAR RESIDENT REPRESENTATIVE THAT HOLCAR OFFICE IN DOHA HAS BEEN ALL BUT CLOSED FOR AT LEAST SIX MONTHS. ONLY HOLCAR EMPLOYEE EMBASSY COULD LOCATE WAS CUSTODIAN OF PREMISES WHO TOLD US ALL OTHERS HAD LEFT AND OFFICES WERE CLOSED. DURING NOVEMBER 1977 HOLCAR AUDITORS SOUGHT EMBASSY ASSISTANCE WHEN THEY WERENOT MET WITH AIRPORT VISAS. AUDITORS ALSO TOLD COMMERCIAL OFFICER THAT CUSTODIAN WAS ONLY HOLCAR EMPLOYEE IN QATAR AND THAT THEY HAD BEEN UNABLE TO LOCATE HIM. EMBASSY ASSISTED IN GETTING VISAS AND LOCATING CUSTODIAN. AUDITORS DID NOT CONTACT EMBASSY AFTER TALKING TO GOQ DESPITE PROMISES TO DO SO. BANK CHECK TO WHICH WE CONFIDENTIAL

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RESORTED DURING SEARCH FOR CUSTODIAN OR OTHER HOLCAR EMPLOYEES INDICATED
RPT INDICATED THAT ALL HOLCAR BANK ACCOUNTS HAD BEEN CLOSED.

5. HOLCAR USE OF EMBASSY ASSISTANCE IN PAST HAS BEEN MINIMAL. OUR CALLS TO LAST RESIDENT REPRESENTATIVE, MR. BERNIE CARTER, IN ALL CASES WERE NOT RETURNED. ON ONE OCCASION WHEN COMMERCIAL OFFICER MET CARTER AT SOCIAL FUNCTION CARTER INDICATED THAT HE DID NOT WANT ANY CONTACT WITH THE EMBASSY. HE DECLINED TO EXPLAIN REASON. DURING LAST YEAR HOLCAR REPRESENTATIVES, INCLUDING HOLLEY, VISITED DOHA AND NEITHER CONTACTED EMBASSY NOR INFORMED US OF THEIR PRESENCE. KILLGORE UNQUOTE VANCE

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